TABLE OF CONTENTS

	Page
Opinions Below	1
Jurisdiction	2
Questions Presented	2
Statutes Involved	2
Statement	2
Reasons for Granting Writ	7
Conclusion	16
Appendix A	17
Appendix B	24
Appendix C	30
Appendix D	32
Appendix E	34

TABLE OF CITATIONS

CASES

Commissioner v. Estate of Bosch,
387 U.S. 456 (1967) 14

Graver Tank & Mfg. Co. v. Linde Air Products Co.,
336 U.S. 271 (1949) 11

Erie Railroad Co. v. Tompkins,
304 U.S. 64 (1938) 1, 7, 13, 14, 15, 16

Fidelity Union Trust Co. v. Field,
311 U.S. 169 (1940) 15

International Brotherhood v. Hardeman,
401 U.S. 233 (1971) 12

TABLE OF CONTENTS (Continued)

Page

Morton International, Inc. v. Southern Pacific Transportation Company, 27 Utah 2d 256, 495 P.2d 31, cert. denied, 409 U.S. 934 (1972) 5, 6, 7, 8, 10, 13, 14, 15

North Point Consolidated Irrigation Co. v. Utah & Salt Lake Canal Co., 16 Utah 246, 52 P. 168 (1898) 13

Reeder v. Brigham City, 17 Utah 2d 398, 413 P.2d 300 (1966) 13

Richardson v. C.I.R., 126 F.2d 562 (2d. Cir. 1942) 15

Schware v. Board of Bar Examiners of State of New Mexico, 353 U.S. 232 (1957) 12

Thompson v. City of Louisville, 362 U.S. 199 (1960) 11, 12

United States v. Johnston, 268 U.S. 220 (1925) 11

Yick Wo v. Hopkins, 118 U.S. 356 (1886) 12

STATUTES

Section 73-14-2(a) Utah Code Annotated (1953, Replacement Vol. 7B) 13

Section 73-14-5(a) Utah Code Annotated (1953, Replacement Vol. 7B) 13

Section 76-43-3(3) Utah Code Annotated (1953) 13

MISCELLANEOUS

Clark, State Law in the Federal Courts: The Brooding Omnipresence of Erie v. Tompkins, 55 Yale L.J. 267 (1946) 13

IN THE

Supreme Court of the United States

October Term, 1974

No. .....

SANDERS BRINE SHRIMP COMPANY,

Petitioner,

vs.

SOUTHERN PACIFIC TRANSPORTATION COMPANY,

Respondent,

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE TENTH CIRCUIT.

Petitioner, Sanders Brine Shrimp Company, prays that a Writ of Certiorari issue to review the judgment of the United States Court of Appeals for the Tenth Circuit entered in this case on July 2, 1974, (Appendix A hereto), affirming the judgment of the United States District Court for the District of Utah which granted the motion of defendant Southern Pacific Transportation Company to dismiss petitioner's complaint in this action.

OPINIONS BELOW

The Opinion of the Court of Appeals for the Tenth Circuit, not yet reported, is appended as Appendix A hereto. The United States District Court for the District of Utah entered no opinion, but its Findings of Fact and Conclusions of Law and its Judgment are appended as Appendix B and Appendix C, respectively.

JURISDICTION

The jurisdiction of the Court is invoked under 28 U.S.C. § 1254(1), the judgment of the Court of Appeals for the Tenth Circuit having been filed on July 2, 1974 and this petition for certiorari being filed within ninety days from said date.

QUESTIONS PRESENTED

A. Whether, under the rule of *Erie Railroad Co. v. Tompkins*,[1] the lower courts' application of a Utah Supreme Court decision to petitioner's claims, without any evidence to support the findings essential to such application, violates the Due Process Clause of the Fourteenth Amendment to the United States Constitution.

B. Whether the restriction of the scope of appellate review resulting from the application of the rule of *Erie Railroad Co. v. Tompkins* constitutes such an unfair advantage to respondent through its choice of the federal forum as to require correction of manifest error and injustice by an exercise of this Court's supervisory powers.

STATUTES INVOLVED

Petitioner is not requesting the interpretation of any state or federal statutes.

STATEMENT[2]

In 1959 Southern Pacific Transportation Company completed a rock fill causeway across the Great Salt Lake.

---

[1] 304 U.S. 64 (1938), hereinafter often referred to as *Erie*.

[2] The facts set out herein concerning the ecological conditions of the Great Salt Lake and their effect on brine shrimp are from the testimony of petitioner's expert at the trial, Dr. David M. Gillespie, contained in Petitioner's Appendix on Appeal to the Court of Appeals for the Tenth Circuit at 194-218, (hereinafter cited as A. .....).

The causeway divided the lake into a southern and a northern region (hereinafter the South Lake and the North Lake) and produced substantial changes in the previously existing physical and biological systems. Before the causeway, the Great Salt Lake was one integrated ecological system with brine concentrations approximately homogeneous throughout and with various forms of aquatic animal and plant life living in both the north and south regions. Brine shrimp constituted the sole biological filtering agent for the lake waters, metabolizing the algae, their own excrement and their own dead and keeping the waters clean, clear and suitable for recreational use. After the construction of the causeway, the North Lake, which receives little fresh water from streams or rivers, became supersaturated with salt, and some billion tons precipitated on the North Lake bed. No shrimp or other aquatic animals survive in those concentrated brines. The blue-green algae, previously the primary plankton in the Lake's biological system, have been displaced by a red alga, the only form of life that can exist in the supersaturated brines, which now permeates and clouds the waters and which must eventually undergo the process of decay.

Since the causeway, the salt concentration in South Lake has become steadily more dilute. The currents of the Lake which circulated and mixed the brines are now obstructed and divided by the east-west causeway. The progressive dilution of the South Lake brines has not yet been lethal to the life forms existing there, but has caused profound changes in the mechanisms by which the shrimp species regenerates.

Since approximately 1950, Mr. C. C. Sanders and his sons have been harvesting brine shrimp and brine shrimp eggs from the beaches of the Great Salt Lake. The Sanders family is solely responsible for the lake's brine shrimp indus-

try, having discovered and developed the techniques for gathering and preserving the eggs, which are sold as food for aquarium fish. The business steadily grew until the company's profits reached approximately one quarter million dollars per year in 1970. The business is now virtually defunct because no brine shrimp survive in the North Lake, and the organisms' adaptation to the diluted waters of the South Lake have so adversely affected egg quantity and quality.[3]

Before the causeway divided the Lake, the brine shrimp would lay a superabundance of eggs in the late fall, when the waters had a relatively high salt content and low temperature. These eggs remained suspended on the water, not hatching until spring when the fresh water runoff from surrounding mountains had diluted the Lake and its temperature had increased sufficiently to support the newly hatched shrimp and their food supply. These late fall eggs were the source of the Sanders family business. Before the causeway's emplacement, all of the eggs were harvested along the beaches of the North Lake, where the winds would blow them from the water in quantities beyond the Sanders' capacity to gather.

Because of the changes caused by the causeway, the shrimp in the South Lake lay eggs a high percentage of which either hatch immediately or sink below the Lake's surface where they are unharvestable. Neither the fall hatched shrimp nor any others can survive a winter.

The Sanders family harvested the eggs pursuant to contracts with the State of Utah through its Fish and Game Department. These contracts had been entered into peri-

---

[3] A. 177-180.

odically since 1955;[4] the last,[5] signed on August 20, 1970, gave, as had similar previous contracts, Sanders Brine Shrimp Company "full and exclusive rights" to harvest brine shrimp eggs along certain portions of the Lake shore for a period of ten years. (Appendix D to this petition.)

On November 30, 1970, Sanders Brine Shrimp Company filed a complaint against Southern Pacific Transportation Company in the state district court of Salt Lake County alleging that Southern Pacific had tortiously destroyed its business and interfered with its contracts, created a public nuisance within the meaning of Title 73 Chapter 14 Utah Code Annotated, and failed to compensate Sanders as a beneficiary of Southern Pacific's grant of easement from the State of Utah.[6] Southern Pacific petitioned the United States District Court for the District of Utah for removal on the grounds of diversity of citizenship.[7] Its petition was granted and the case was assigned to the Honorable Willis W. Ritter, Chief Judge.

The case was later consolidated with two others brought by Hardy Salt Company and Morton-Norwich Products, Inc. Great Salt Lake Minerals & Chemicals Corporation was allowed to intervene as a defendant.

While the consolidated cases were pending, the Utah Supreme Court rendered its opinion in *Morton International, Inc. v. Southern Pacific Transportation Company,*[8]

---

[4] A. 8-21.

[5] A. 9-10.

[6] A. 4-8.

[7] A. 1.

[8] 27 Utah 2d 256, 495 P.2d 31, cert. denied, 409 U.S. 934 (1972); appended as Appendix E to this Petition. This decision is often referred to hereinafter as *Morton* or *Morton International.*

holding that Morton, which produces salt by evaporating waters diverted from the Lake, had no cause of action against Southern Pacific for damages to its business arising from the construction of the causeway. The Utah Supreme court seemed to reason that because Morton did not have an exclusive right to extract salt from the waters of the Lake, and did not own the salt in the waters, it had no standing to complain when the diluted waters damaged its business.

At the conclusion of plaintiffs' evidence in the instant case, Southern Pacific renewed a motion to dismiss based upon its argument that *Morton v. Southern Pacific* governed the cases, and none of the plaintiffs, including petitioner, had shown an "exclusive right" to the products it extracted from the Lake. The district court agreed, entered its Findings of Fact and Conclusions of Law[9] and Judgment[10] dismissing the actions accordingly.

The Tenth Circuit affirmed the trial court's judgment, although, it would appear, with some reluctance:

> "The claims of Sanders are based on a similar premise as those of Morton and Hardy. Sanders has only a non-exclusive seining license which must be renewed annually as the source of its right to take shrimp and shrimp eggs. There was substantial proof by Sanders also of injury to its business. It would seem that there should be relief from violation of the antipollution statute which prohibits damage to aquatic life, Utah Code Annotated § 73-14-2, which was shown by Sanders clearly as to its operations in the north arm of the Lake where the shrimp can no longer survive. However, the seining license of Sanders is analogous to Morton's

[9] App. B.
[10] App. C.

> nonexclusive right to extract salt and falls reasonably within the terms to which it is compared — a license, a profit a pendre, etc. See 495 P.2d at 33. We must hold that the District Court did not err in deciding that Sanders lacked a right which it could enforce."[11]

This affirmation is based upon a fundamental misapprehension of the basis of petitioner's rights to harvest the product of the Great Salt Lake. Not only are the rights based upon a contract making them "full and exclusive," as required by *Morton International,* but the rights are also to a *specific* area in and along the Lake, as the *Morton* case seemed to deem essential.[12] Petitioner concedes that the exclusive nature of its rights was not as vigorously argued to the Circuit as the weight the Circuit's opinion placed on "exclusive rights" would warrant. Nevertheless, it was argued.[13] The Circuit's apparent total disregard of this argument raises serious questions of due process and of the relationship between state and federal courts under the doctrine of *Erie Railroad v. Tompkins.*[14]

REASONS FOR GRANTING THE WRIT

1. The application of the rule of *Morton International* to petitioner in the face of a clear record that petitioner owned "exclusive" rights in the products it harvested from the Great Salt Lake is a deprivation of petitioner's property in violation of the Fourteenth Amendment.

---

[11] App. A. at 13-14.

[12] 495 P.2d at 33, App. E at 37.

[13] Brief of Sanders Brine Shrimp Co. on appeal to the Court of Appeals for the Tenth Circuit at 10, Reply Brief at 2.

[14] 304 U.S. 64 (1938).

The Tenth Circuit concluded that the application of *Morton International* turned on the exclusive or nonexclusive nature of petitioner's rights to harvest shrimp and shrimp eggs.[15] Nevertheless, the courts below ruled that petitioner had no enforceable claim against Southern Pacific even though the contract (Appendix D), which petitioner filed pursuant to stipulation as the document on which it relies and has relied "as the basis for rights in the . . . product of the Great Salt Lake,"[16] provides:

> "1. The [Utah State] Board [of Fish and Game] hereby grants to Seiner *full and exclusive* right to seine for and harvest brine shrimp and brine shrimp eggs from the Great Salt Lake in the area described as follows: . . . ."[17] (Emphasis added.)

Paragraph 5 of this agreement, which was in effect when the action was commenced, provided that it would "continue for a duration of ten years from [its] date,"[18] (August 20, 1970). But the courts below concluded that petitioner has nothing more than a "non-exclusive seining license which must be renewed annually as the source of its right to take shrimp and shrimp eggs."[19] The only evidence in the record concerning "seining licenses" arose in the course of cross-examination of Mr. Cleon Sanders, the founder of Sanders Brine Shrimp Co., and his son, Gail Sanders:

> "Q [By counsel for Southern Pacific] Now, Mr. Sanders, during this period 1958 through 1965, I take it you obtained a seining permit from the State Fish and Game each year.
>
> "A [By Mr. Cleon Clyde Sanders] Yes, sir.

---

[15] App. A at 6, 13.

[16] A. 8.

[17] App. D at 32.

[18] Id. at 33.

[19] App. A at 13; Conclusion of Law No. 7, App. B at 28.

"Q By their own terms those seining permits expire annually?

"A Right.

"Q And a new one has to be obtained?

"A Every year, yes, sir.

"Q And are you aware those seining permits cannot be assigned, to anyone other than the permit holder?

"A Yes. You can take people out there to help you.

"Q But the rights under the permits cannot be assigned.

"A Yes.

* * *

"Q Mr. Sanders, connecting up with the previous question, have you ever attempted to assign any seining permit or any right that you have in any seining permit to anyone?

"A No, no."[20]

* * *

"Q [By Mr. Benson] I take it, Mr. Sanders, that the situation with respect to the annual exploration [expiration] of the seining licenses that your father testified about would also apply to the seining licenses that you have obtained during the time that your present partnership has operated the business?

"A [By Gail Cleon Sanders] It's an annual license.

"Q Expires by its own terms?

"A That's right."[21]

Nothing more appears in the record concerning these seining licenses, except that petitioner's business did not

[20] A. 171-172.

[21] A. 182.

involve seining as such but the gathering of shrimp eggs blown ashore by the winds.[22] In particular, there is *no evidence* in the record that petitioner's business operations or its rights to conduct them were founded on or arose from seining permits; rather, the sole basis for such rights was the contract appended to this Petition as Appendix D and the other contracts in the record covering earlier periods,[23] each of which in its granting clause conveyed "full and exclusive" rights to harvest shrimp and shrimp eggs in the territory defined therein.

Despite these contracts, the United States District Court for the District of Utah entered a Conclusion of Law (No. 7) as follows:

> "7. Sanders Shrimp Company has nothing more than a non-exclusive license to fish on the Great Salt Lake and therefore, under the rationale of the *Morton International, Inc. v. Southern Pacific Transportation Company*, 27 U.2d 256, 495 P.2d 31 (1972), has no cause of action against defendant for any damages resulting from the diminution of the brines of the south arm of the Great Salt Lake or the strengthening of the brines of the north arm of the Great Salt Lake which may be due to the construction of the causeway across the Great Salt Lake by defendant."[24]

The Tenth Circuit followed this conclusion in the language previously quoted:

> "Sanders has only a non-exclusive seining license which must be renewed annually as the source of its right to take shrimp and shrimp eggs."[25]

---

[22] A. 183.
[23] A. 13-21.
[24] App. B at 28.
[25] App. A at 13.

This conclusion is clearly wrong. There is no evidence to support the conclusion that petitioner had only a non-exclusive right to the products of the Great Salt Lake. The only evidence before the courts below was, rather, that petitioner had exclusive rights.

Petitioner recognizes and appreciates that this Court does "not grant certiorari to review evidence and discuss specific facts,"[26] particularly when, as here, the review requested would seem to involve "concurrent findings of fact by two courts below." *Graver Tank & Mfg. Co. v. Linde Air Products Co.*[27] It must be emphasized, however, that the Court of Appeals gave no consideration to petitioner's contention that it did in fact have exclusive rights to the product of the Great Salt Lake, but accepted the trial court's conclusion as though it had not been challenged. Petitioner respectfully submits that the error presented here falls squarely within the *Graver Mfg. Co.* exception, i.e., a "very obvious and exceptional showing of error."[28] This case indeed takes on the dimensions of *Thompson v. City of Louisville,*[29] where this Court reversed judgments of conviction on a charge of loitering and of disorderly conduct, pursuant to each of which the petitioner was fined $10.00. This Court reversed because it could "find no evidence whatever in the record to support these convictions." Thompson had argued (and the Court agreed) that a conviction without evidence to support it would "deprive him of property and liberty without due process of law under the Fourteenth Amendment." He transposed the usual order of the interests protected by

---

[26] United States v. Johnston, 268 U.S. 220, 227 (1925).
[27] 336 U.S. 271, 275 (1949).
[28] Id.
[29] 362 U.S. 199 (1960).

that Amendment because the court below had imposed a fine only, without sentence.

Although the deprivation of property forbidden by the rule in *Thompson v. City of Louisville* has usually been in the form of a criminal sanction, this Court has applied the standard to proceedings involving the "property" interest of securing a livelihood or the "liberty" of pursuing a certain profession or vocation, *see, e.g., International Brotherhood v. Hardeman* where, citing *Thompson,* the Court declared that a "full and fair" disciplinary hearing mandated by federal statute "requires . . . some evidence at the . . . hearing to support the charges made."[30] In *Schware v. Board of Bar Examiners of State of New Mexico,* this Court found, after an extensive review of the record, that "[t]here is no evidence in the record which rationally justifies a finding that Schware was morally unfit to practice law."[31] The Court stated that "[a] State cannot exclude a person from the practice of law or from any other occupation in a manner . . . that contravene[s] due process of law"[32] and that such an exclusion "when there is no basis for [the state's] findings"[33] violates due process.

The record in the present case clearly establishes that the causeway has rendered the business of Sanders Brine Shrimp Company profitless and economically unviable. Sanders Brine Shrimp Company had an exclusive right to harvest brine shrimp products from specified portions of the Lake. Both the trial and appellate courts totally disregarded petitioner's exclusive rights in the Lake, and entered and af-

---

[30] 401 U.S. 233, 246 (1971).
[31] 353 U.S. 232, 246-47 (1957).
[32] Id. at 238.
[33] Id. at 239; see also Yick Wo v. Hopkins, 118 U.S. 356 (1886).

firmed findings and conclusions for which there was no evidence, thus, in effect, depriving petitioner of its property and the Sanders family of their livelihood.

2. This Court should review the decision below as a necessary concomitant of its supervisory powers over the courts of appeal. Petitioner does not suggest that this Court should grant certiorari to review every erroneous application of state law under the *Erie* doctrine. However, when the parties are before federal courts limited by the *Erie* rule, such review by this Court must be deemed proper and necessary to prevent manifest injustice.

The decision of the Utah Supreme Court in *Morton International* does not define the causes of action of which it disposes. However, it was clear to the Tenth Circuit that causes of action arising under Utah public nuisance law and antipollution statutes were not before the Utah Supreme Court in the *Morton* case.[34] Petitioner relied heavily on this distinction both in the trial court and on appeal, but the Tenth Circuit felt constrained by its interpretation of *Morton* to rule that the distinction was not dispositive. It stated that under Utah law, but for *Morton,* petitioner would have a valid cause of action against respondent, and could recover for the damages it had proved. In fact, the Circuit Court recognized that (1) a public nuisance exists, (2) Southern Pacific created the nuisance, (3) petitioner has been specially harmed by the nuisance, but (4) Utah law (despite statutes and prior cases which seem to provide to the contrary)[34a] affords no remedy. Because the

---

[34] App. A at 11-12.

[34a] See §§ 73-14-2(a) and 73-14-5(a) Utah Code Ann. (1953); § 76-43-3(3) Utah Code Ann. (1953); North Point Consolidated Irrigation Co. v. Utah & Salt Lake Canal Co., 16 Utah 246, 52 P. 168 (1898); Reeder v. Brigham City, 17 Utah 2d 398, 413 P.2d 300 (1966).

Morton case had apparently reserved the Great Salt Lake and the Southern Pacific causeway as a judicially created sanctuary from other well established rules of Utah law, the Circuit reasoned that Utah's court must have reserved them from the application of Utah nuisance and pollution law.

Had petitioner been in the state court, it would have been in a position to persuade the Utah Supreme Court that its anomalous and difficult decision in *Morton* was not applicable to petitioner's causes of action sounding in nuisance and supported by the antipollution statute. Of course these arguments were urged strongly before the Tenth Circuit, but the Circuit, governed by *Erie*, applied Utah law as it found it to be, not as the Circuit thought it should be. The Supreme Court of Utah would not have said, as did the Circuit, that "[i]t would seem that there should be relief from violation of the antipollution statute which prohibits damage to aquatic life"[35] without affording such relief through one of the many devices of the judicial process. The Circuit was precluded from the use of such devices by *Erie*. In this respect, it may be said that the Circuit Court in applying Utah state law was sitting as a Utah state court, but in a sense as a state trial court only, not as a state appellate court.[36] The *Erie* doctrine prevented petitioner's attempts to seek relief under theories and causes of action not explicitly precluded by the Supreme Court of Utah.

The scope of review was thus restricted, and Southern Pacific, by its petition for removal, prevented petitioner

---

[35] App. A at 13.

[36] Commissioner v. Estate of Bosch, 387 U.S. 456, 465 (1967).

from fully asserting claims and causes of action by choosing the forum in which the claims were heard. It was exactly such a result that led to criticism of this Court's opinion in *Fidelity Union Trust Co. v. Field*,[37] and which, insofar as such advantages from the forum lead to forum shopping, was one of the principal policy reasons for the decision in *Erie* itself.[38]

Petitioner does not wish the Court to review the Tenth Circuit's determination of the rules of law to be gleaned from *Morton International*. Petitioner strongly argued the inapplicability of the *Morton* case before the Circuit, perhaps to the detriment of its argument that even if the "exclusive rights" doctrine from that case were applied, petitioner should not have been dismissed from the district court.[39] Petitioner submits that the Circuit's disregard of its exclusive rights to the products of the Lake resulted in a clearly erroneous judgment, with *no* support in the evidence, under the very rule from *Morton International* that the Circuit found to be determinative. Petitioner further appreciates that such error is not usually grounds for review by this Court unless the deprivation of property complained of is in the form of a criminal sanction. It is clear, however, that petitioner has been greatly damaged by the deprivation of its property rights in the Great Salt Lake, and that, unless certiorari is granted, this depriva-

---

[37] 311 U.S. 169 (1940); Richardson v. C.I.R., 126 F.2d 562 (2d. Cir. 1942); Clark, State Law in the Federal Courts: The Brooding Omnipresence of Erie v. Tompkins, 55 Yale L. J. 267, 290 (1946).

[38] 304 U.S. at 74-77.

[39] *Morton International* could be read to hold that without regard for the exclusive or non-exclusive nature of rights to its products, no one has standing to complain of a reduction in the salinity of the Great Salt Lake. This reading seems to have been rejected by the circuit.

tion will have been effectuated with finality by the decisions of the courts below which are unsupported by any evidence. Exacerbating and magnifying this error is the restriction of appellate review produced by the *Erie* rule. For these reasons, petitioner respectfully submits that this is an appropriate case for review by this Court by a writ of certiorari.

CONCLUSION

For the reasons hereinabove stated, petitioner respectfully submits that its petition for a writ of certiorari should be granted.

Respectfully submitted,

CLYDE, MECHAM & PRATT
Frank J. Allen

PRINCE, YEATES, WARD
MILLER & GELDZAHLER
Gerald R. Miller
Kenneth W. Yeates
Rand Hirschi

APPENDIX "A"

PUBLISH

UNITED STATES COURT OF APPEALS

TENTH CIRCUIT

Consolidated Cases

Nos. 73-1714, 74-1715, 73-1716

HARDY SALT COMPANY,
Plaintiff-Appellant,

SANDERS BRINE SHRIMP COMPANY,
Plaintiff-Appellant,

MORTON-NORWICH PRODUCTS, INC.,
Plaintiff-Appellant,

vs.

SOUTHERN PACIFIC TRANSPORTATION COMPANY,
Defendant-Appellee,

GREAT SALT LAKE MINERALS & CHEMICALS CORPORATION,
Intervenor-Defendant-Appelle.

Appeal from the United States District Court for the District of Utah, Central Division (D.C. Nos. C-371, C-320-70 and C-295-72)

J. Thomas Greene, Salt Lake City, Utah (Gifford W. Price of Greene and Nebeker, Salt Lake City, Utah, and F. William McCalpin, Of Counsel, St. Louis, Missouri, were on the brief), for Plaintiff-Appellant Hardy Salt Company.

Frank J. Allen of Clyde, Mecham & Pratt, Salt Lake City, Utah, for Plaintiff-Appellant Sanders Brine Shrimp Company.

Frank A. Wollaeger, Chicago, Illinois (Hardin A. Whitney and John W. Horsley of Moyle & Draper, Salt Lake City, Utah, and Paul D. Frenz of McBride, Baker, Wienke and Schlosser, Chicago, Illinois, were on the brief), for Plaintiff-Appellant Morton-Norwich Products, Inc.

Clifford L. Ashton, Salt Lake City, Utah (Haldor T. Benson, Salt Lake City, Utah, was on the brief), for Defendant-Appellee Southern Pacific Transportation Company.

Claron C. Spencer, Salt Lake City, Utah (Richard G. Allen of Senior & Senior, Salt Lake City, Utah, was on the brief), for Intervenor-Defendant-Appellee Great Salt Lake Minerals & Chemicals Corporation.

Amici Curiae, The United States of America and The State of Utah submitted briefs.

Before DURFEE,* Senior Judge, and HOLLOWAY and BARRETT, Circuit Judges.

HOLLOWAY, Circuit Judge.

These consolidated appeals seek reversal of a judgment of the District Court dismissing the appellants' actions for damages and injunctive relief for injuries claimed to result from the construction and operation of a causeway across the Great Salt Lake of Utah by appellee Southern Pacific Transportation Company.

In 1956 the State of Utah granted Southern Pacific an easement across the Lake for railroad purposes. In 1959 Southern Pacific completed construction of the rock and earth fill causeway which separated the northern one-third of the Lake from the southern two-thirds.

The causeway is approximately 12.8 miles in length and contains only two 15-foot culvert openings to allow for circulation between the two arms of the Lake. The total fill causeway has created a static head water surface differential between the south and north arms of the Lake,

---

*Of the United States Court of Claims, sitting by designation.

causing the water to be about 17 inches to 22 inches higher on the south than the north. The differential has caused the migration of thousands of tons of salt from the south to the north, resulting in an increasing concentration of salt in the north lake and the dilution of brines in the south lake. Approximately 95 per cent of the total water flowing into the Lake enters the south lake, further contributing to the build up of the static head differential and moving the salt northward.

Appellants Hardy Salt Company (Hardy) and Morton-Norwich Products, Inc. (Morton) are engaged in the business of extracting sodium chloride (salt) from the waters of the Lake. The proof of Hardy and Morton showed the following facts.

Morton and Hardy operate under royalty agreements with the State of Utah for the extraction of salt from the Lake. The processing plants and related facilities of both companies are located along what is now the south arm of the Lake. Since the brine in the south arm is becoming more dilute each year, more water must be evaporated to recover the same quantity of salt. This has required the acquisition of land for additional concentrating ponds and increased the costs of production. Essentially it is these difficulties and increased costs resulting from them that Hardy and Morton complain of.

Appellant Sanders Shrimp Company (Sanders) is in the business of harvesting shrimp eggs from the Lake and selling them as tropical fish food. Sanders' proof showed the following facts.

Sanders operates under an annual seining license from the State Fish and Game Department, Division of Wildlife.

The license gives Sanders the right to collect brine shrimp and brine shrimp eggs in designated land and water areas, with exclusive rights to seine in certain areas, all located south of the causeway.

The described changes in salinity of the two arms of the Lake have affected the brine shrimp and their eggs. With the increased salinity in the north arm, the shrimp can no longer survive there. Although the south arm provides a suitable environment, the decreased salinity has caused them to adjust the density of their eggs to the lower density of the water. More worthless egg shells are produced and there is a lessening supply of shrimp eggs available for collection by normal methods. And a lower percentage of the eggs which can be harvested by normal methods are viable.

Hardy and Sanders brought their suits for injunctive relief and damages in the State Court, based on claims of public and private nuisance, waste, interference with business interests and like theories. Morton brought its action in the Federal District Court, asserting only a claim under the Rivers and Harbors Act of 1899, 33 U.S.C.A. §§ 401, et seq. The Hardy and Sanders suits were removed to the Federal District Court on diversity grounds, and the suits were all consolidated for trial later. Hardy then also asserted a claim for relief under the Rivers and Harbors Act. Before trial appellee Great Salt Lake Minerals & Chemicals Corporation, which is engaged in recovering salt from the north arm of the Lake, was permitted to intervene as a party defendant, asserting that any significant dilution of the concentrated brine in the north arm would adversely affect its operations.

After completion of the plaintiffs' proof, Southern Pacific moved to dismiss. The District Court sustained the motion, made findings and conclusions adverse to the plaintiffs and dismissed the action.

The Court found that neither the royalty agreements between the State of Utah and Hardy and Morton, nor the seining permits granted to Sanders, purported to grant exclusive rights to remove salt or brine shrimp or shrimp eggs from the Great Salt Lake, and that the agreements did not purport to guarantee any given salinity of the waters in the entire lake or any part of it. The Court held that under Morton International, Inc. v. Southern Pacific Transportation Co., 495 P.2d 31 (Utah) cert. denied, 409 U.S. 934, the royalty agreements held by Hardy and Morton were nonexclusive in nature, and that because of this fact neither Hardy nor Morton could recover for any damages resulting from diminution of the salt content in the south arm.

The Court concluded also that Sanders has nothing more than a nonexclusive license to fish and, therefore, under the *Morton* opinions, Sanders has no cause of action against Southern Pacific for any damages resulting from diminution of the brines of the south arm, or the strengthening of the brine of the north arm that may be due to construction of the causeway.

Hardy, Morton and Sanders all appeal. We treat first the State law claims of nuisance, waste, interference with business interests and like theories, and will later consider the Federal claims under the Rivers and Harbors Act.

I

THE STATE LAW CLAIMS OF NUISANCE, WASTE, INTERFERENCE WITH BUSINESS INTERESTS AND LIKE THEORIES.

Applying State law to the diversity claims as required by Erie R. Co. v. Tompkins, 304 U.S. 64, the District Court relied primarily on Morton International, Inc. v. Southern Pacific Transportation Co., 495 P.2d 31 (Utah), cert. denied, 409 U.S. 934, in denying relief sought on State law claims. The case must be carefully considered.

The *Morton* case involved State law claims similar to those of Hardy and Sanders and concerned injury from the same causeway. Morton's claims were premised on "diligence rights" which are not clearly defined in the opinion. Before Utah law provided for applications for certificates for water appropriation, such as obtained by Hardy, such diligence rights described the right to take water obtained by a continued beneficial use. See Hanson v. Salt Lake City, 205 P. 2d 255 (Utah); Hague v. Nephi Irrigation Co., 52 P. 765, 768 (Utah). However, the source of the right does not appear dispositive in the case. The Utah Supreme Court in fact referred to Morton's failure to have made application for appropriation of water under Titles 73 and 65-1-15, Utah Code Annotated (1953), but said that this was not dispositive. The reasons for denial of relief to Morton were spelled out by the Court as follows:

> What we *do* think is important and dispositive here, is the question of who owns the salt in solution in the waters of the lake. Although there was some question about this important matter before 1946, there was none thereafter, since we held in a somewhat similar case that "the salt . . . is contained within Great Salt Lake, which is a navigable body of

water. Because it is a navigable body of water its bed belongs to the state subject to the control of Congress for navigation in commerce. . . . It is our opinion that the state as the owner of the beds of navigable bodies of waters is entitled to all valuable minerals in or on them," — such conclusion being affirmed and established by the U.S. Supreme Court in the most recent decision of June 6, 1971.

. . .

. . . It is obvious that plaintiff's right to divert and precipitate the salt is a nonexclusive right, and that no matter what you call it, — a diligence right, a license, a profit a prendre, a lease, or a contract to sell, — the right is circumscribed by the provisions of Title 65-1-15, U.C.A. 1953, reserving to the State the salt in the water, to "be *sold* by the state land board *only* upon a royalty basis." The plaintiff's agreement with the State of September 1954, among other things, provides for and requires the payment of so much per ton for salt processed.

The State owning the salt and plaintiff having but a nonexclusive right to extract and process it, the basic question remains as to whether construction of the railroad's causeway, which concededly diluted the water of its salt content in the so-called South Lake, created a compensable claim against the railroad in favor of plaintiff, concededly damaged in the sense that dilution of the water it diverts will cost more in the salt reduction process. We think there is no compensable claim here because plaintiff has no exclusive right against the State or others to the salt or the water from which it is converted, has no right given by the State to divert the water at any *specific* point. It can do so at any available point along the lake, either south or north of the causeway, has no vested claim to a beneficial use of the water, has filed no claim for mineral rights, and could, but for the expense involved, divert water as well from any point on the lake where the salt in solution may exceed that in the South Lake. 495 P.2d at 32-33.

It is thus apparent that regardless of the label of the right involved, the basic statute reserved to the State the salt and the water to "be sold by the state land board only upon a royalty basis." And since Morton could only have a nonexclusive right to take salt, it had no interest entitling it to injunctive relief or damages for injury from salinity changes resulting from the causeway.

On this appeal both Hardy and Sanders argue that for several reasons the *Morton* case does not apply. First Hardy says that the rights granted to it by the State differ sufficiently from Morton's rights to distinguish the case. Hardy's rights include: (1) certificates of water appropriation which provide that as appropriator Hardy is entitled to the use of water for diversion and use, including the certificate stating that "the water is, during the above-mentioned periods, intermittently diverted and used through evaporation of said water to yield 80,500 tons of salt each year . . ." (Hardy Exs. 87, 88); (2) a pre-causeway royalty agreement (Hardy Ex. 83); (3) a specific easement granted by the State to extract brine from the Great Salt Lake through a channel at a specific point of diversion (Hardy Ex. 82) onto ponds on its fee lands (Hardy Ex. 80) and lands leased to the company by the State (Hardy Ex. 81).

On the other hand Morton, although possessing a royalty agreement, had only diligence rights rather than a certificate like Hardy's for appropriation of water. And Morton had no point of diversion specified by the State and no indication of the quantity of salt Morton could extract from the Lake.

---

[1] Morton did have a written agreement with the State, executed in 1954, giving it the continuing right to appropriate, remove and divert water of and from the Great Salt Lake for the purpose of extracting salt therefrom. See 495 P. 2d at 32.

In the *Morton* opinion the Utah Supreme Court referred, Id. at 32, to Utah Code Annotated § 65-1-15 (1953), which provides:

> Salts and other minerals in the waters of navigable lakes and streams and likewise reserved to the state and shall be sold by the state land board only upon royalty basis. The amount of such royalties and the terms of such contracts shall be determined by the board; provided, that all such contracts shall be subject to the use of the waters for public purposes, and provided further that before executing a contract which contemplates the recovery of salts and minerals from said waters, the state land board shall require evidence that an application for the appropriation of water for such purpose has been filed with the state engineer and is pending in his office.

We feel the statute makes clear that the basic source of both Morton's and Hardy's right to take salt is the royalty agreement, provided for by the statute. Thus the efforts to distinguish *Morton* on the basis of other agreements and circumstances are not persuasive. We feel that *Morton* simply held that because the State owned the salt and Morton had only a nonexclusive right to extract and process it under the royalty agreement recognized by the statute, Morton had no interest entitling it to injunctive relief and damages.

Unlike Morton, Hardy does have a specific point of diversion for its water, but any person entitled to the use of water in Utah may change the place of diversion on application to the State Engineer, absent substantial impairment of vested rights. See Utah Code Annotated § 73-3-3.

Hardy points out also that the grant of easement issued by the Utah State land board to Southern Pacific provided that the ". . . grantee agrees to compensate surface owners

or lessees for all damages done during construction of the railroad and during its subsequent operations." Hardy argues that it is within the class protected and benefited by the contractual obligation as an owner as well as a lessee of real property at the southern end of the Lake where its extraction facilities are located.

While Morton did not urge that proposition on its appeal to the Utah Supreme Court, this provision in the easement was considered by the Court, 495 P.2d at 34:

> . . . [N]o point on appeal was urged for the contention that plaintiff was a "surface owner," although a point was made in essence that it was a "lessee," — which latter we have said has no merit. We are not called upon to determine whether Morton is a "surface owner" or not, but we are constrained to observe that we think such appellation does not apply to those incidentally damaged by water dilution, but at least to damage of some tangible existing physical property or facility owned by anyone, whether he has rights to remove salt water or not.

It is clear that the statement was dictim. Nevertheless, "[t]he responsibility of the federal courts, in matters of local law, is not to formulate the legal mind of the state, but merely to ascertain and apply it." Yoder v. Nu-Enamel Corp., 117 F.2d 488, 489 (8th Cir.). Both the holdings and considered dicta of the State Courts should be applied. See Hawks v. Hamill, 288 U.S. 52, 59; Yoder v. Nu-Enamel Corp., supra at 489; Hartzler v. Chesapeake and Ohio Railway Co., 433 F.2d 104, 107 (7th Cir.). Moreover, on the unsettled peripheral questions of State law, the views of the resident District Judge are persuasive and ordinarily accepted. Sade v. Northern Natural Gas Co., 483 F.2d 230, 234 (10th Cir.); Vaughn v. Chrysler Corp., 442 F.2d 619

(10th Cir.), cert. denied, 404 U.S. 857; Jorgensen v. Meade Johnson Laboratories, Inc., 483 F.2d 237 (10th Cir.). Thus we are persuaded that the statement of the Utah Supreme Court calls for rejection of Hardy's contention based on the provision in the Southern Pacific easement.

Hardy next argues that a denial of its right to recover would be violative of the Utah Constitution and that application of the *Morton* decision to the Hardy case would be State action in violation of the United States Constitution. We find no merit to these constitutional claims. Hardy has had full access to the Federal Courts, asserting fully its State and Federal claims. The rejection of its theories was based upon a State Court decision, and we cannot say the determination denied its substantive or procedural constitutional rights.

Hardy argues that undue interference with its economic and business interests is actionable and that even if its rights are denominated as merely a nonexclusive privilege or license, the *Morton* decision did not reach the issue of such interference. We again must disagree. The interference with business interests was the precise injury that Morton complained of in its State Court suit. And the rejection of such claims of interference with Morton's business was based upon the principle that only a nonexclusive right to extract salt existed under the royalty agreement and § 65-1-15 of the Utah statutes providing for royalty agreements and the taking of salt. We must agree that Hardy's rights can rise no higher since they come from the same basic source as those of Morton.

In addition, both Hardy and Sanders argue that Southern Pacific has created a public nuisance and that they may recover because of special injuries sustained as a result

thereof. They say this issue was not before the Utah Supreme Court in *Morton,* and that the chemical alterations produced by the causeway violate the Utah antipollution statutes.[2]

In support of such theories, the plaintiffs' evidence showed that the ecological effects of the causeway are considerable. Prior to its construction the color of the entire lake was the same. Subsequently the north arm became reddish and the south arm green. This occurred because the increased salinity in the north lake affects aquatic life other than the brine shrimp. Blue-green algae that form algal reefs in the north lake have apparently been completely killed. Red algae have replaced the green alga in the more saline waters of the north lake as the water has approached the saturation point.

Before the causeways construction the overall current of the Lake was counterclockwise and its specific gravity ranged from 1.17 to 1.19. After the construction the circulation in both segments of the Lake remained counterclockwise, but without exchange due to currents which previously occurred between the north and south areas. The specific gravity in the north arm now ranges from 1.21 to 1.23, which causes the salt to drop to the bottom. The specific gravity of the south arm varies from 1.09 to 1.19. Thus,

---

[2] Reliance is placed on §§ 73-14-2(a), 73-14-5(a) and 76-43-3(3). Section 73-14-2(a) provides:

> "Pollution" means such contamination, or other alteration of the physical, chemical or biological properties, of any waters of the state, or such discharge of any liquid gaseous or solid substance into any waters of the state as will create a nuisance or render such waters harmful or detrimental or injurious to public health, safety or welfare, or to domestic, commercial, industrial, agricultural, recreational, or other legitimate beneficial uses, or to livestock, wild animals, birds, fish or other aquatic life.

while the District Court made no finding on the issue, the plaintiffs' proof was substantial that Southern Pacific has caused pollution creating a public nuisance.

Under Utah law the plaintiff must suffer some substantial injury or damage not inflicted on the community at large in order to recover on a public nuisance theory. Lewis v. Pingree National Bank, 151 P. 588, 561 (Utah); see also Riggins v. District Court of Salt Lake County, 51 P.2d 645, 662 (Utah). Both Hardy and Sanders made a substantial showing of special and peculiar injuries of business interference, not common to the rest of the community. However, again the reasoning in *Morton* applies. The Utah Supreme Court referred to the change in salinity, which is the basic premise of the injury claim. "It is this dilution about which this litigation revolves." 495 P.2d at 32. While nuisance claims were not asserted or discussed, the Court held there was an absence of a protectable business interest premised on a certain salinity level in the Lake. Again we must agree with the District Court that the plaintiffs must be denied relief.

The claims of Sanders are based on a similar premise as those of Morton and Hardy. Sanders has only a nonexclusive seining license which must be renewed annually as the source of its right to take shrimp and shrimp eggs. There was substantial proof by Sanders also of injury to its business. It would seem that there should be relief from violation of the antipollution statute which prohibits damage to aquatic life, Utah Code Annotated § 73-14-2, which was shown by Sanders clearly as to its operations in the north arm of the Lake where the shrimp can no longer survive. However, the seining license of Sanders is analogous to Morton's nonexclusive right to extract salt and falls reason-

ably within the terms to which it is compared — a license, a profit a prendre, etc. See 495 P.2d at 33. We must hold that the District Court did not err in deciding that Sanders lacked a right which it could enforce.[3]

Hardy and Sanders also invoke Utah's private nuisance statute. Utah Code Annotated § 78-38-1, and the Utah waste statute, Utah Code Annotated § 78-38-2. On the reasoning discussed above, we must hold that Hardy and Sanders do not demonstrate the type of a business or economic interest entitling them to relief.

In sum, we must hold that the District Court did not err in denying relief on the State law claims in light of Morton International, Inc. v. Southern Pacific Transportation Co. and the parallel circumstances involved here.

II

THE FEDERAL CLAIMS UNDER THE RIVERS AND HARBORS ACT.

In addition to the State law claims asserted by Hardy and Sanders, Hardy and Morton assert a federal claim against Southern Pacific based on alleged violation of the Rivers and Harbors Act of 1899, 33 U.S.C.A. §§ 401 et seq., by

---

[3] It is true that the Utah Supreme Court did uphold the right of a private party to obtain relief against water contamination on a nuisance theory in North Point Consolidated Irrigation Co. v. Utah & Salt Lake Canal Co., 52 P. 168 (Utah). See also Reeder v. Brigham City, 413 P. 2d 300 (Utah). The plaintiff irrigation company complained that defendant canal and irrigation companies had no right to contaminate canal waters, thus rendering them unfit for domestic and irrigation purposes served by the plaintiff. The Court held that on the record the plaintiff was entitled to injunctive relief. However, in the opinion there is no discussion of exclusivity vel non of the plaintiff's rights. And, in any event, the recent *Morton* decision, involving the same injuries produced by the causeway, must be followed as the more compelling authority.

Southern Pacific. Specifically, they allege that Southern Pacific violated §§ 9, 10, and 13 of that Act, 33 U.S.C.A. §§ 401, 403, and 407,[4] in that the Railroad never received the consent of Congress or, alternatively, of the legislature of the State of Utah, nor any authorization or approval from the Secretary of the Army or the Chief of Engineers, for construction or maintenance of its causeway as those provisions variously require. The record establishes that such approvals and authorizations were not obtained (R. 443-46, 597, 1288-92). Although the Rivers and Harbors Act does not expressly create private causes for those injured by its violations, Hardy and Morton argue that such a cause of action

---

[4] 33 U.S.C.A. § 401 provides:

It shall not be lawful to construct or commence the construction of any bridge, dam, dike, or causeway over or in any port, roadstead, haven, harbor, canal, navigable river, or other navigable water of the United States until the consent of Congress to the building of such structures shall have been obtained and until the plans for the same shall have been submitted to and approved by the Chief of Engineers and by the Secretary of the Army: PROVIDED, That such structures may be built under authority of the legislature of a State across rivers and other waterways the navigable portions of which lie wholly within the limits of a single State, provided the location and plans thereof are submitted to and approved by the Chief of Engineers and by the Secretary of the Army before construction is commenced . . .

33 U.S.C.A. § 403 provides:

The creation of any obstruction not affirmatively authorized by Congress, to the navigable capacity of any of the waters of the United States is prohibited; and it shall not be lawful to build or commence the building of any wharf, pier, dolphin, boom, weir, breakwater, bulkhead, jetty, or other structures in any port, roadstead, haven, harbor, canal, navigable river, or other water of the United States, outside established harbor lines, or where no harbor lines have been established, except on plans recommended by the Chief of Engineers and authorized by the Secretary of the Army; and it shall not be lawful to excavate or fill, or in any manner to alter or modify the course, location, condition, or capacity of, any port, roadstead, haven, harbor, canal, lake, harbor or refuge, or inclosure within

should be implied in their favor, entitling them to injunctive relief and damages.

Southern Pacific and the Intervenor, Great Salt Lake Minerals & Chemicals Corporation, contend that the Rivers and Harbors Act does not apply because the Great Salt Lake is not a "navigable water of the United States" within the terms of that Act. They further argue that, even if the Rivers and Harbors Act applies, Hardy and Morton have no standing to complain of the violations alleged and that no private right of action may be implied under the Act in favor of Hardy and Morton since their claims are unrelated to interference with rights of navigation and are thus beyond the special federal interest and protection afforded by the Act. Finally, Southern Pacific says that, in any event, the judgment in Morton International, Inc. v. Southern Pacific

---

the limits of any breakwater, or ofthe channel of any navigable water of the United States, unless the work has been recommended by the Chief of Engineers and authorized by the Secretary of the Army prior to beginning the same.

33 U.S.C.A. § 407 provides:

It shall not be lawful to throw, discharge, or deposit, or cause, suffer, or procure to be thrown, discharged, or deposited either from or out of any ship, barge, or other floating craft of any kind, or from the shore, wharf, manufacturing establishment, or mill of any kind, any refuse matter of any kind or description whatever other than that flowing from streets and sewers and passing therefrom in a liquid state, into any navigable water of the United States, or into any tributary of any navigable water from which the same shall float or be washed into such navigable water; . . . AND PROVIDED FURTHER, That the Secretary of the Chief of Engineers anchorage and navigation will not be injured thereby, may permit the deposit of any material above mentioned in navigable waters, within limits to be defined and under conditions to be prescribed by him, provided application is made to him prior to depositing such material; and whenever any permit is so granted the conditions thereof shall be strictly complied with, and any violation thereof shall be unlawful.

Transportation Co., supra, bars the federal claim of Morton under the Act, arguing that Morton has attempted to split its cause of action related to injury from the causeway.

At trial Morton offered in evidence newspaper articles as ancient documents in support of its claim that the Great Salt Lake is a "navigable water of the United States." (Ex. M-28 through M-34). These articles, published in the late 1800's, described a flow of commercial navigation across the Lake up the Bear River to Corinne, Utah, an important rail center at the time. Although the Bear River flows interstate, no offer of proof was made to the effect that it was navigable interstate. Instead, Hardy and Morton say that they proved that the Great Salt Lake is a navigable water of the United States by demonstrating that it served as a link in the conduct of interstate commerce, namely as a conduit for the transport of goods which were subsequently shipped interstate via rail from Corinne. The District Court refused to admit the proffered newspaper articles (Tr. 585) and indicated that it would not consider proof that the Bear River was navigable (Tr. 575).

The District Court took judicial notice that the Bear River is not navigable by its findings of fact. The Court's conclusions of law stated that the Great Salt Lake is a navigable body of water of the State of Utah; that as such, the Rivers and Harbors Act is not applicable to the Great Salt Lake; and that the bed of the Lake and the waters over the said bed and the minerals contained in said waters belong to the State of Utah. Accordingly, the Court dismissed Hardy's and Morton's claims under the Act with prejudice.

On this appeal Hardy and Morton both contend that the District Court erred in excluding the exhibits showing the navigation to Corrine; that the Court should have ad-

mitted the proof and found that the Great Salt Lake is a navigable water of the United States under the Act; and they ask that the judgment be reversed and the case remanded for further trial.

We must consider the exclusion of the offer of proof of navigation across the Lake and up the Bear River to the railhead at Corrine. More specifically, our question is whether there was a showing attempted that could properly establish the Great Salt Lake is a navigable water of the United States within the meaning of the Rivers and Harbors Act. We feel that the proof should have been admitted and considered on this issue. Nevertheless, we conclude that there was no reversible error, since the proof offered showed only a connection with the railhead and not with navigable interstate waters and, therefore, as a matter of law, could not establish that the Lake is a "navigable water of the United States" within the meaning of the Act.

The phrase "navigable water of the United States" has been used by Congress in several statutes prior to the 1899 Act, e.g., Act of July 7, 1838, ch. 191, 5 Stat. 304; Act of September 19, 1890, ch. 907 §§ 6-8, 26 Stat. 453-454. The term, as used in the Act of 1838, cited above, was defined in The Daniel Ball, 77 U.S. (10 Wall.) 557, 563 (1870). The Supreme Court there stated that:

> . . . Those rivers must be regarded as public navigable rivers in law which are navigable in fact. And they are navigable in fact when they are used, or are susceptible of being used, in their ordinary condition, as highways for commerce, over which trade and travel are or may be conducted in the customary modes of trade and travel on water. And they constitute navigable waters of the United States within the meaning of the acts of Congress, in contradistinction

> from the navigable waters of the States, when they form in their ordinary condition *by themselves, or by uniting with other waters, a continued highway over which commerce is or may be carried on with other States or foreign countries in the customary modes in which such commerce is conducted by water.* (Emphasis added)

See also The Montello, 78 U.S. (11 Wall.) 411, 415 (1870); and Escanaba Co. v. Chicago, 107 U.S. 678, 682 (1882).

Although the definition of "navigability" laid down in The Daniel Ball has subsequently been modified and clarified, see, e.g., The Montello, 87 U.S. (20 Wall) 430 (1874); Leovy v. United States, 177 U.S. 621 (1900); Economy Light & Power Co. v. United States, 256 U.S. 113 (1921); United States v. Appalachian Electric Power Co., 311 U.S. 377 (1940), its definition of "navigable waters of the United States," insofar as it requires a navigable interstate linkage by water, appears to remain unchanged. See Economy Light & Power Co. v. United States, supra, at 121-124; United States v. Utah, 283 U.S. 64, 75 (1931); United States v. Crow, Pope & Land Enterprises, Inc., 340 F.Supp. 25, 31-36 (N.D. Ga. 1972), appeal dismissed, 474 F.2d 200 (5th Cir. 1973). Cf. the recent cases which have uniformly refused to find landlocked intrastate lakes navigable waters of the United States within the admiralty jurisdiction. Doran v. Lee, 287 F.Supp. 807 (W.D. Pa. 1968); In re Builders Supply Company, 278 F.Supp. 254 (N.D. Iowa 1968) (and cases therein cited). Cf. also Johnson v. Wurthman, 227 F.Supp. 135 (D. Ore. 1964) (reaching similar result, but purportedly under the commerce clause).

We realize that the construction of "navigable water of the United States" made in The Daniel Ball and The Montello may be viewed as involving a statute depending on the

admiralty power, while the Rivers and Harbors Act is an exercise of power under the commerce clause. See United States v. Crow, Pope & Land Enterprises, Inc., supra. Nevertheless, The Daniel Ball was a landmark decision and its interpretation of "navigable water of the United States," adhered to in The Montello and Escanaba Co. v. Chicago, supra, was well settled at the time of the enactment of the 1899 statute. It was the interpretation given to "navigable water of the United States" as used in the 1890 Rivers & Harbors Act, a predecessor of the 1899 Act, see 21 Op. Att'y Gen. 430, 432-33 (1896). When Congress uses words in a statute without defining them, and those words have a judicially settled meaning, it is presumed that Congress intended them to have that meaning in the statute. E.g., Case v. Los Angeles Lumber Co., 308 U.S. 106, 115 (1939); The "Abbotsford," 98 U.S. 440, 444 (1878). We may assume that the Congress was aware of these decisions and of the interpretation which they had placed upon the phrase "navigable water of the United States" so that if it had intended the Act of 1899 to employ a broader definition, it would have manifested such an intention by clear and explicit language. See Cummings v. Chicago, 188 U.S. 410, 430 (1903); compare Federal Power Act § 3(8), 16 U.S.C.A. § 796(8); Act of February 4, 1887, ch. 104, 24 Stat. 379. In the absence of any such language it should not be assumed that any such departure was intended.

We are aware, however, of the dictum in The Katie, 40 F. 480 (S.D. Ga. 1889), affirmed *sub nom* In re Garnett, 141 U.S. 1 (1891), which appears to adopt a broader interpretation of navigable waters, lending support to the position of Hardy and Morton. The trial court there stated that

if navigable waters lying wholly within a State are utilized under common control in connection with railroads for continuous carriage in interstate commerce, they would become public waters of the United States, subject to congressional control under the commerce clause. 40 F. at 489.

The dictum was not discussed by the Supreme Court opinion affirming the decision and no subsequent case has been found which refers to it. In these circumstances, we feel that the predominant interpretation was that settled in the Supreme Court's decisions in The Daniel Ball and cases following it.

Hardy and Morton contend that the first proviso in Section 9 of the Act, 33 U.S.C.A. § 401, which speaks in terms of "waterways the navigable portions of which lie wholly within the limits of a single State." indicates a congressional intent to give a broad definition to navigable water of the United States, one which would clearly encompass the Great Salt Lake. We believe that the more reasonable construction of this provision is that it refers to waters which fall within the definition laid down in The Daniel Ball, but which lie wholly within a single State. In light of the history behind the Act, it seems more likely that this provision was intended to make clear the limits of the concurrent authority of the States over navigable waters of the United States, as defined by The Daniel Ball, than to expand the scope of the definition of "navigable water of the United States" as used in the Act. See Lake Shore & Michigan Southern Railway Co. v. Ohio, 165 U.S. 365 (1897); Cummings v. Chicago, 188 U.S. 410 (1903).

Hardy and Morton also contend that the decree entered in the case of Utah v. United States, 406 U.S. 484 (1972)[5] supports their contention that the Great Salt Lake is a navigable water of the United States.[6] We do not agree. On its face the decree does nothing more than acknowledge the potential possibility of regulation of commerce on the Great Salt Lake. It contains no implication whatsoever that the Congress has already chosen to regulate the Lake under the Rivers and Harbors Act.

We conclude that a navigable water of the United States within the meaning of Sections 9, 10 and 13 of the Rivers and Harbors Act must be construed in line with the interpretation in The Daniel Ball, as contemplating such a body of water forming a continued highway over which commerce is or may be carried on with other states or foreign countries, by water. Thus we must hold that the District Court did not err in dismissing the federal claims of Hardy and Morton founded on the Act. Their offer of proof was insufficient to demonstrate that the Great Salt Lake is a navigable water of the United States within the meaning of the statute, showing only navigability within Utah to the railhead.

We feel we should not rest our decision on the broader views on the Rivers and Harbors issue expressed in the Dis-

---

[5] See also the proposed decree appended to the decision in Utah v. United States, 403 U.S. 9, 13 (1971).

[6] That decree provides in pertinent part:

> The United States of America, its departments and agencies are enjoined, *subject to any regulation which the Congress may impose, such as in the interest of navigation or pollution control,* from asserting against the State of Utah any claim of right, title, and interest:
>
> (a) to the bed of the Great Salt Lake . . . (Emphasis added)

trict Court's conclusions of law, and limit our decision as stated herein.[7] We need not and do not decide whether the Lake could be shown to be such a navigable water under the Act by other proof in another case. And we need not and do not decide whether the Congress could constitutionally regulate commerce on the Lake. Finally, deciding this case as we do on the issue of whether the Lake is a navigable water of the United States, we do not reach the other points raised by the parties on this claim and we express no opinion on them.

---

[7] We believe it was error for the District Court to find, by judicial notice, that the Bear River is not navigable, in view of the offer of proof on navigability up to Corinne. However, in view of the insufficiency of the proof offered, as discussed above, no question of fact or law on the navigability of the Bear River requires consideration.

APPENDIX "B"

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH
CENTRAL DIVISION

HARDY SALT COMPANY, a Missouri Corporation,
Plaintiff,
vs.
SOUTHERN PACIFIC TRANSPORTATION COMPANY, a Delaware Corporation,
Defendant,
GREAT SALT LAKE MINERALS AND CHEMICALS CORPORATION,
Intervenor Defendant,

Findings of Fact and Conclusions of Law
Civil No. C-3-71

* * *

SANDERS SHRIMP COMPANY, a partnership,
Plaintiff,
vs.
SOUTHERN PACIFIC TRANSPORTATION COMPANY,
Defendant

Civil No. C-320-70

* * *

MORTON-NORWICH PRODUCTS, INC., a Corporation,
Plaintiff,
vs.
SOUTHERN PACIFIC TRANSPORTATION COMPANY, (formerly Southern Pacific Company), a corporation.
Defendant.

Civil No. C-295-72

These cases, having been previously consolidated for trial by the Court, came on for trial before the Court commencing July 9, 1973, and the Court having heard the evi-

dence of the plaintiffs and having heard the arguments of counsel for all of the respective parties, now makes and enters its

FINDINGS OF FACT

1. Plaintiff Hardy Salt Company is a Missouri Corporation and is duly qualified to and is doing business within the State of Utah.

2. Plaintiff Sanders Shrimp Company is a Utah partnership with its place of business in Riverdale, Utah.

3. Plaintiff Morton-Norwich Products, Inc. is a Delaware Corporation and is duly qualified to and is doing business within the State of Utah.

4. Defendant Southern Pacific Transportation Company is a Delaware Corporation with its principal place of business in San Francisco, California, and is duly qualified to and is doing business within the State of Utah.

5. Plaintiffs Hardy Salt Company and Morton-Norwich Products, Inc. are located on the south shore of the Great Salt Lake and are and have been withdrawing brines from the Great Salt Lake for the purpose of extracting sodium chloride (salt) therefrom by means of solar evaporation.

6. Hardy Salt Company acquired its salt production plant at Lakepoint, Utah from Leslie Salt Company in the summer of 1965 and took over its operation in November of 1965.

7. Morton-Norwich Products, Inc. acquired its interest in the Saltair, Utah salt production plant in 1971 from Morton International, Inc.

8. Plaintiff Sanders Shrimp Company commenced business on January 1, 1966 and has since that time removed brine shrimp eggs from various locations along the shores of the Great Salt Lake.

9. Defendant Southern Pacific Transportation Company built its causeway across the Great Salt Lake in 1956 through 1959 pursuant to authority granted to it by the State of Utah by and through the Utah State Land Board.

10. Plaintiff Hardy Salt Company removes sodium chloride (salt) from the brines of the Great Salt Lake pursuant to an Agreement with the Utah State Land Board dated December 20, 1954.

11. Plaintiff Morton-Norwich Products, Inc. removes sodium chloride (salt) from the brines of the Great Salt Lake pursuant to an Agreement with the Utah State Land Board dated September 17, 1954.

12. Plaintiff Sanders Shrimp Company removes brine shrimp eggs from the Great Salt Lake's shores under an annual seining license issued by the Utah Fish and Game Commission, said permits expiring one year from date of issue.

13. The Court takes judicial notice of the fact that the Great Salt Lake is located wholly within the borders of the State of Utah, and that the Bear River is not navigable and does not and never has formed a waterway upon which interstate commerce by the regular means upon water has been or could be accomplished, and no evidence to the effect that the Bear River is navigable in interstate commerce was introduced during the trial.

14. Neither the Royalty Agreements between the State of Utah and plaintiffs Hardy Salt Company and Morton-Norwich Products, Inc. nor the seining permits granted to

Sanders Shrimp Company purport to grant exclusive rights to remove sodium chloride (salt) or brine shrimp or brine shrimp eggs from the Great Salt Lake, nor do they purport to guarantee any given salinity of the waters in the entire or any part of the Great Salt Lake.

15. No evidence was introduced that any agency of the Federal Government ever objected to the construction of defendant's causeway, either before or after, and evidence was introduced that the Office of Defense Mobilization, prior to the causeway's construction, approved defendant's causeway after certain modifications were made at its request, and certified it as being necessary to the national defense.

Based upon the foregoing Findings of Fact, the Court hereby makes and enters its

CONCLUSIONS OF LAW

1. The Court has jurisdiction over all of the parties in the three actions consolidated for trial and over the subject matter of each said action.

2. This Court is bound on matters of substantive State law and by the decisions of the Utah Supreme Court under the doctrine announced in *Erie Railroad Company v. Tompkins*, 304 U.S. 64 (1938).

3. The Great Salt Lake is a navigable body of water of the State of Utah.

4. As a navigable body of water of the State of Utah, the Rivers and Harbors Act of 1899, 33 U.S.C. § 401 *et seq.* is not aplicable to the Great Salt Lake.

5. The bed of the Great Salt Lake and the waters over said bed and the minerals contained in said waters belong to the State of Utah.

6. Under the holding of the Utah Supreme Court in the case of *Morton International, Inc. v. Southern Pacific Transportation Company*, 27 U.2d 256, 495 P.2d 31 (1972), the Royalty Agreements held by Hardy Salt Company and Morton-Norwich Products, Inc. are nonexclusive in nature, and because of that fact neither Hardy Salt Company nor Morton-Norwich Products, Inc. may recover for any damages resulting from any diminution of the salt content in the south arm of the Great Salt Lake which might have resulted from the construction of defendant's causeway across the Great Salt Lake.

7. Sanders Shrimp Company has nothing more than a non-exclusive license to fish on the Great Salt Lake and therefore, under the rationale of the *Morton International, Inc. v. Southern Pacific Transportation Company*, 27 U.2d 256, 495 P.2d 31 (1972), has no cause of action against defendant for any damages resulting from the diminution of the brines of the south arm of the Great Salt Lake or the strengthening of the brines of the north arm of the Great Salt Lake which may be due to the construction of the causeway across the Great Salt Lake by defendant.

8. Defendant Southern Pacific Transportation Company is, as a matter of law, entitled to judgment against Hardy Salt Company, Sanders Shrimp Company, and Morton-Norwich Products, Inc., and of the Complaints in these actions consolidated for trial must be and are dismissed with prejudice.

9. Defendant Southern Pacific Transportation Company, as the prevailing party in these actions, is entitled to recover from each of the plaintiffs its costs in these actions.

10. Judgment in accordance with these Conclusions of Law is to be forthwith entered.

ENTERED this 27 day of July, 1973.

/S/.....

Willis W. Ritter
United States District Judge

APPENDIX "C"

JUDGMENT

5

These actions, having previously been consolidated for trial by the Court, came on for trial before the Court, Honorable WILLIS W. RITTER, United States District Judge, presiding, on July 9, 1973. Plaintiff Hardy Salt Company was represented by J. THOMAS GREENE, Esq. and GIFFORD W. PRINCE, Esq., of the firm of GREENE & NEBEKER, and F. WILLIAM CcCALPIN, Esq., of the St. Louis, Missouri firm of LEWIS, RICE, TUCKER, ALLEN & CHUBB. Plaintiff Sanders Shrimp Company was represented by FRANK J. ALLEN, Esq., of the firm of CLYDE MECHAM AND PRATT. Plaintiff Morton-Norwich Products, Inc. was represented by HARDIN A. WHITNEY, Jr., Esq., and JOHN HORSLEY, Esq., of the firm of MOYLE AND DRAPER and by FRANK A. WOLLAEGER, Esq., and PAUL D. FRENZ., of the Chicago, Illinois firm of McBRIDE, BAKER, WIENKE, & SCHLOSSER. Intervenor defendant, Great Salt Lake Minerals and Chemicals Corporation, was represented by CLARON SPENCER, Esq., of the firm SENIOR AND SENIOR. Defendant in all of the actions, Southern Pacific Transportation Company, was represented by CLIFFORD L. ASHTON, Esq., HALDOR T. BENSON, Esq., and JAMES R. AMSCHLER, Esq., of the firm of VAN COTT, BAGLEY, CORNWALL & McCARTHY, and by W. HARNEY WILSON, Esq., of the legal department of the defendant.

After all of the plaintiffs had put on their evidence, defendant made a Motion to Dismiss all of the Complaints with prejudice, and the Court, having duly considered the evidence presented by plaintiffs and arguments of counsel for all of the parties,

IT IS HEREBY ORDERED, ADJUSTED AND DECREED:

1. That plaintiff Hardy Salt Company has no cause of action against defendant Southern Pacific Transportation Company for any damages caused by the diminution of the salt content of the south arm of the Great Salt Lake which may have resulted from the construction of defendant's causeway across the Great Salt Lake, and its complaint is dismissed with prejudice.

2. That plaintiff Sanders Shrimp Company has no cause of action against defendant Southern Pacific Transportation Company for any damages caused to brine shrimp eggs due to any diminution of the salt content of the south arm of the Great Salt Lake which may have resulted from the construction of defendant's causeway across the Great Salt Lake, and its complaint is dismissed with prejudice.

3. That plaintiff Morton-Norwich Products, Inc., has no cause of action against defendant Southern Pacific Transportation Company for any damages caused by the diminution of the salt content of the south arm of the Great Salt Lake which may have resulted from the construction of defendant's causeway across the Great Salt Lake, and its complaint is dismissed with prejudice.

MADE AND ENTERED this 27 day of July, 1973.

/s/ Willis W. Ritter, United States District Judge

APPENDIX "D"

CONTRACT

In consideration of the mutual covenants herein contained, the undersigned parties, the Utah State Board of Fish and Game, hereinafter referred to as the "Board" and the Sanders Brine Shrimp Company, hereinafter referred to as "Seiner" hereby contract, covenant, and agree as follows:

1. The Board hereby grants to Seiner full and exclusive right to seine for and harvest brine shrimp and brine shrimp eggs from the Great Salt Lake in the area described as follows:

A. Beginning at a point directly north of Spray Sliding along a line parallel to the southern and westerly shoreline of Great Salt Lake to the north boundary of the Wendover Bombing and Gunnery Range (about 2.2 miles directly south of Lucin Cutoff), with the exception of the area starting at a point 500 feet north of the Solar Salt Company Intake Canal and extending southward to the northern tip of the Grantsville Sand Bar as shown in Exhibit A. (a distance of approximately 7 miles depending upon lake water levels).

B. From the northern tip of Antelope Island south and southwest approximately 1 mile south of the Utah State Park and Recreation Division property as shown in Exhibit A.

2. Seiner agrees that the exclusive right and authority granted herein shall apply solely to the harvest of brine shrimp and brine shrimp eggs heretofore referred and that any authority as to the use of the land area herein described is granted subject to any and all regulations of the State of Utah.

3. Full and exclusive right to seine for brine shrimp and brine shrimp eggs from the Great Salt Lake in the area described above is granted with the stipulation that Pioneer Enterprise, Dunsmuir, California, shall be permitted to collect up to a maximum of 10,000 pounds of brine shrimp annually from the area described in 1 A.

4. Seiner agrees that all activities conducted by it shall be conducted in compliance with the rules and regulations promulgated by the Utah State Division of Fish and Game and more specifically pursuant to the annual seining proclamation of said Division but not limited thereto.

5. The parties agree that this agreement shall continue for a duration of ten years from the date of this instrument provided, however, that this agreement shall be terminated by the Board in the event the Seiner does not pursue and harvest brine shrimp and brine shrimp eggs conscientiously. In addition, the agreement shall be terminated in the event of violation of any rules and regulations promulgated by the Utah State Division of Fish and Game. The parties agree that Seiner may obtain an option to renew the authority granted to it provided that the parties shall mutually agree upon such renewal.

IN WITNESS WHEREOF the parties have hereonto set their hands this 20 day of August, 1970.

WITNESS:

By Gwen Russell

Approved as to Form
By Attorney General

By Ford G. Scalley

Date .....

Assistant Atty. Gen.

SANDERS BRINE SHRIMP COMPANY

By /s/ Gail D. Sanders

UTAH STATEDIVISION OF FISH AND GAME

By /s/ John E. Phelps, Director

APPENDIX "E"

27 Utah 2d 256

MORTON INTERNATIONAL, INC., a corporation,
Plaintiff and Appellant,
V.
SOUTHERN PACIFIC TRANSPORTATION COMPANY, a corporation,
Defendant and Respondent,
HARDY SALT COMPANY, a corporation,
Amicus Curiae,
SOLAR SALT COMPANY, a corporation,
Amicus Curiae.

No. 12557.

Supreme Court of Utah.

March 14, 1972.

HENRIOD, Justice:

Appeal from a summary judgment dismissing Morton's complaint that asked for an injunction and damage incident to the defendant railroad's construction of a rock and earth causeway across part of Great Salt Lake pursuant to an easement granted by the State of Utah for such purpose in August 1956. Affirmed with costs to the railroad.

Morton and its predecessors have diverted lake waters to capture salt in solution by evaporative precipitation, since before 1903,[1] the chop-off date after which appropriation of water for a beneficial use, had to filter through the State Engineer by formal application and hearing. Other companies, including amici curiae, Hardy Salt Co. and Solar Salt Co., enjoy similar histories. Morton's point of

---

[1] Chap. 100, Laws of Utah 1903; Sec. 73-3, U.C.A. 1953.

diversion has been and is at the south end of the lake approximately 30 miles south of the railroad's causeway, which for practical purposes separate s the lake into a North and a South lake connected only by two 15-foot openings, causing the South Lake into which flows essentially fresh water, amounting to 90 per cent of the total intake, to be one foot higher, with a resulting flowage northward through the openings causing a dilution of salt content in the South Lake waters and a corresponding increased salinity in the North Lake waters. It is this dilution about which this litigation revolves.

The dilution mentioned allegedly commenced after the construction of the causeway and, if true, certainly after a written agreement was executed in September 1954 between Morton and the State, to settle a legal action between them, and without prejudice to each's claims. In that agreement Morton was "to have the continuing right to appropriate, remove and divert water of and from Great Salt Lake for the purpose of extracting salt therefrom, provided, however that this agreement shall not be construed to relieve Morton from full compliance with Title 73, Utah Code Annotated 1953," requiring an application and certificate to appropriate water.

The reading of defendant's brief discloses certain objections and observations that make it sound like the defendant here is the State of Utah,—such as plaintiff's failure to conform to its agreement of September 1954 mentioned above, its diligence rights in the water reserved against the State, the right of the railroad to assert defenses being that of the State, whether the railroad is engaged in a public endeavor, whether plaintiff has rights based on its failure to have made application for appropriation under

like,—all and none of which we believe to be dispositive here,—and we so hold.

What we *do* think is important and dispositive here, is the question of who owns the salt in solution in the waters of the lake. Although there was some question about this important matter before 1946, there was none thereafter, since we held in a somewhat similar case[2] that "the salt . . . is contained within Great Salt Lake, which is a navigable body of water. Because it is a navigable body of water its bed belongs to the state subject to the control of Congress for navigation in commerce. . . . It is our opinion that the state as the owner of the beds of navigable bodies of waters is entitled to all valuable minerals in or on them,"—such conclusion being affirmed and established by the U. S. Supreme Court in the most recent decision of June 6, 1971.[3] Plaintiff cites many Territorial and State statutes having to do with the right to *use* water. Its only claim to ownership of the salt is by "silent acquiescence" of public authorities, with resulting "riparian" rights. Such claim is without merit.[4]

The reason we think that ownership of the salt is of primary import here is that plaintiff asserts an ownership in the salt in solution in the waters of the lake by virtue of its continued appropriation of part thereof. This thesis does violence to the concept and authorities mentioned in the next preceding paragraph, and indulges the

---

[2] Deseret Livestock Co. v. State, 110 Utah 239, 171 P.2d 401 (1946).

[3] Utah v. United States, 403 U.S. 9, 91 S.Ct. 1775, 29 L.Ed.2d 279 (1971).

[4] See footnotes 2 and 3.

assumption that plaintiff not only had an ownership interest in the salt solution and the bed of the lake to the exclusion of the State as long as its agreement with the State persisted,—possibly in perpetuity according to such contract,—but as to many others having agreements with the State to divert the water and extract the salt therefrom, as prevails with respect to the amici curiae mentioned herein. It is obvious that plaintiff's right to divert and precipitate the salt is a nonexclusive right, and that no matter what you call it, — a diligence right, a license, a profit a prendre, a lease, or a contract to sell,—the right is circumscribed by the provisions of Title 65-1-15, U.C.A. 1953, reserving to the State the salt in the water, to "be *sold* by the state land board *only* upon a royalty basis." The plaintiff's agreement with the State of September 1954, among other things, provides for and requires the payment of so much per ton for salt processed.

The State owning the salt and plaintiff having but a nonexclusive right to extract and process it, the basic question remains as to whether construction of the railroad's causeway, which concededly diluted the water of its salt content in the so-called South Lake, created a compensable claim against the railroad in favor of plaintiff, concededly damage in the sense that dilution of the water it diverts will cost more in the salt reduction process. We think there is no compensable claim here because plaintiff has no exclusive right against the State or others to the salt or the water from which it is converted, has no right given by the State to divert the water at any *specific* point. It can do so at any available point along the lake, either south or north of the causeway, has no vested claim to a

beneficial use of the water,[5] has filed no claim for mineral rights, and could, but for the expense involved, divert water as well from any point on the lake where the salt solution may exceed that in the South Lake.

If the plaintiff, under such circumstances had a compensable claim against the railroad, it would have a claim also against all others having contracts to divert water for salt production, such as the amici curiae here, for interference with its right to take the water from the lake. Its theory would contemplate a guaranteed mean saturation point to be accomplished by he State, by other nonexclusive diverters, administrators of waters flowing into the lake, and perhaps others, with an adjunctive either express or implied warranty by the State that the public, state-owned waters of Great Salt Lake, could be used for no purpose whatever, affecting the public weal, for private contract, leasing to others, regulation of traffic thereon by Congress, or otherwise, if the result threatened the dilution of the waters that plaintiff chooses to divert in its business. We are of the opinion that the plaintiff could not contend that the considerable rise in the lake level that has occurred in the past few years which would appear also to be dilutive of the salt water, would give rise to a compensable claim against the State.

---

[5] Deseret Livestock Co. v. State, supra, foonote 2, where it is said "The only manner in which water can be appropriated is by being placed to a beneficial use. The use of water for the precipitation of salt is such a beneficial use, and if appellant were seeking to appropriate water to carry salt *which belonged to it*, it would be placing the water to a beneficial use . . . However, *appellant does not own the salt.*"

The Great Salt Lake is the property of Utah subject only to regulation of navigation by Congress. The State has given the railroad a nonexclusive right to build the causeway, which right does not prevent the State from granting some other road such a right, just as it does not prevent the State from giving other persons or companies rights similr to Morton's.

Although plaintiff's complaint alleges it is a third-party beneficiary under the State's contract with the railroad because the easement was granted subject to a provision that the railroad would compensate surface owners and lessees for damage during construction and operation of the causeway, no point on appeal was urged for the contention that plaintiff was a "surface owner," although a point was made in essence that it was a "lessee,"—which latter we have said has no merit. We are not called upon to determine whether Morton is a "surface owner" or not, but we are constrained to observe that we think such appellation does not apply to those incidentally damaged by water dilution, but at best to damage of some tangible existing physical property or facility owned by anyone, whether he has rights to remove salt water or not.

The briefs extensively discuss contractual matters anent rights and duties between Morton and the State, which latter is no party to this litigation. We are not constrained to discuss or decide those issues here, but only between Morton and the railroad inter se. In doing so we think the summary judgment was correct. We do this being mindful of the magnitude of the litigants' problems and interests. We would hope that if engineering-wise it would be practical and not inordinately costly, the litigants here, the

amici curiae and all others having an economic interest in a constant and normal concentration of salinity in the lake, well might serve themselves and the public welfare, if somehow, they could unite in an effort to maintain the waters of the lake in their natural saline state.

CALLISTER, C. J., and TUCKETT, ELLETT, and CROCKETT, J.J., concur.